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August 1, 2006

Mr. Charles L. A. Terreni  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
Synergy Business Park, The Saluda Building  
101 Executive Center Drive  
Columbia, South Carolina 29210

**Re: Petition of the Office of Regulatory Staff for a Rule-Making Proceeding to Examine the Requirements and Standards to be Used by the commission when Evaluating Applications for Eligible Telecommunications Carrier (ETC) Status and When Making Annual Certification of ETC Compliance to the Federal Communications Commission  
Docket No. 2006-37-C**

Dear Mr. Terreni:

I am writing on behalf of the South Carolina Telephone Coalition ("SCTC") (see attached list) to comment on the Notice of Drafting issued by the Public Service Commission of South Carolina ("Commission") in the above-referenced docket. The SCTC appreciates and welcomes the opportunity to participate in the process of developing regulations regarding designation and certification of eligible telecommunications carriers ("ETCs") and will provide comments on specific regulations as the drafting process continues. As an initial matter, the SCTC provides the following general comments regarding designation and certification of ETCs in South Carolina.

The SCTC supports the adoption of stringent criteria for designating additional ETCs in South Carolina. At a minimum, the criteria set forth by the FCC<sup>1</sup> should be considered. However, in addition to the FCC's minimum requirements, the SCTC notes that designation of additional ETCs, particularly in rural areas of the State, is a serious undertaking that should be made only after a very judicious consideration of the public interest, keeping in mind Congress' clearly expressed intention that it is within the Commission's discretion to decide not to designate *any* additional ETCs in rural areas. See 47 U.S.C. § 214(e)(6). The

<sup>1</sup> See Report and Order, *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; FCC 05-46 (rel. March 17, 2005) ("ETC Order").

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Commission has the authority, and the SCTC believes it would be in the public interest, to adopt a presumption that there should be only one ETC designated in each rural area.

Any public interest standard that the Commission may adopt should make clear that the value of increased competition, by itself, is not sufficient to satisfy the public interest test. The public interest standard should include a cost benefit analysis, considering whether such designation will further universal service and, if so, whether those benefits are outweighed by the costs of such designation, including not only the cost of expending additional public funds but also the risk that burdening existing universal service mechanisms could adversely impact the provision of basic local exchange service at affordable rates in South Carolina.

With respect to reporting and certification requirements for ETCs, the SCTC supports reporting and certification requirements for competitive ETCs that may be designated, as detailed in the FCC's *ETC Order*. However, the SCTC believes that incumbent local exchange carriers ("ILECs"), who are already ETCs and carriers of last resort and are already subject to numerous reporting requirements and standards at both the federal and state levels, have long demonstrated their commitment to universal service and should not be burdened with additional and duplicative reporting and certification requirements.

Again, thank you for the opportunity to provide these initial comments, and the SCTC looks forward to continuing to participate as the rulemaking process moves forward.

Very truly yours,

  
M. John Bowen, Jr.

MJB,Jr./rwm

cc: Nanette S. Edwards, Esquire

## **South Carolina Telephone Coalition Member Companies**

Chesnee Telephone Company

Chester Telephone Company

Ft. Mill Telephone Company, d/b/a Comporium Communications, Inc.

Home Telephone Company, Inc.

Horry Telephone Cooperative, Inc.

Lancaster Telephone Company, d/b/a Comporium Communications, Inc.

Lockhart Telephone Company

McClellanville Telephone Company

Norway Telephone Company

Palmetto Rural Telephone Cooperative, Inc.

Piedmont Rural Telephone Cooperative, Inc.

PBT Telecom, Inc.

Ridgeway Telephone Company

Rock Hill Telephone Company, d/b/a Comporium Communications, Inc.

Sandhill Telephone Cooperative, Inc.

St. Stephen Telephone Company

West Carolina Rural Telephone Cooperative, Inc.

Williston Telephone Company

